

Meeting Date: 10/14/08

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 7A-2



Date: October 3, 2008
To: City Manager for Council Action
From: John C. Roukema, Director of Electric Utility
Subject: Adoption of a Resolution to Oppose Proposition 7, the Solar and Clean Energy Act of 2008

EXECUTIVE SUMMARY:

At its meeting on September 16, 2008, the City Council adopted an oppose position with respect to Proposition 7, the Solar and Clean Energy Act of 2008 ("the Act"), which has been placed on the November ballot as a result of an initiative campaign, and authorized letters of opposition to be sent to Senator Elaine Alquist and Assembly Member James Beall. Since then, Staff has been requested to develop a council resolution opposing Proposition 7. That resolution, entitled "Resolution of the City Santa Clara, California to Oppose Proposition 7, the Solar & Clean Energy Act of 2008", is attached. This Resolution reflects the analysis set forth in the City staff report dated September 10, 2008.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

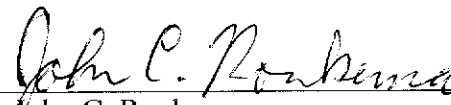
Defeat of Proposition 7 will help to maintain local control over the acquisition of cost effective, reliable and environmentally responsible electric generation resources. Staff believes that adoption of a council resolution opposing Proposition 7 will be interpreted by third parties as having greater import than council's September 16, 2008 adoption of an oppose position.

ECONOMIC/FISCAL IMPACT:

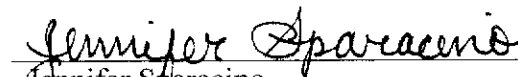
Passage of Proposition 7 would trigger potentially substantial cost and rate increases, as the City would have no control over RPS performance standards that the California Energy Commission, and indirectly, the California Public Utilities Commission would be required to establish, or the cost impact of those standards.

RECOMMENDATION:

That Council adopt the Resolution to Oppose Proposition 7, the Solar and Clean Energy Act of 2008, and authorize the Mayor and City Manager to take follow-up actions as appropriate regarding this issue.


John C. Roukema
Director of Electric Utility

APPROVED


Jennifer Sparacino
City Manager

Documents Related to this Report:

- 1) Resolution to Oppose Proposition 7, the Solar and Clean Energy Act of 2008

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, TO OPPOSE PROPOSITION 7, THE SOLAR
AND CLEAN ENERGY ACT OF 2008**

BE IT RESOLVED BY THE CITY OF SANTA CLARA, CALIFORNIA, AS FOLLOWS:

WHEREAS, the City of Santa Clara, California has long been a leader in promoting sound energy policies that include a strong commitment to the development of renewable energy; and

WHEREAS, Proposition 7 establishes unworkable California Renewable Portfolio Standard (RPS) targets for electricity providers, and expands unwarranted state mandates on locally-controlled utilities and consumer-owned utilities; and,

WHEREAS, local control has been key to the City of Santa Clara's tradition of leadership and environmental stewardship, and the City of Santa Clara has had a longstanding commitment to the generation of electricity from environmentally responsible sources.

WHEREAS, the City of Santa Clara's Electric Utility, Silicon Valley Power, already exceeds the existing state RPS with a renewable portfolio of 28%, has a carbon footprint among the lowest in the nation, and has efforts underway to invest further in renewable resources; and

WHEREAS, insufficient transmission infrastructure exists to meet and facilitate such rapid expansion of renewable energy generation; and

WHEREAS, implementation of California's existing economy-wide greenhouse gas reduction statute, AB 32, will ensure increased reliance on renewable energy and efficiency; and

WHEREAS, despite the Initiative's claim that consumers will see no more than a three percent rate increase in the "short term," this measure will lead to significant new costs for California's electric ratepayers; and

WHEREAS, a single state-wide approach to renewable energy that does not take into consideration the need for a diverse and integrated resource portfolio will serve to threaten grid reliability; and

WHEREAS, Proposition 7 already faces strong opposition from a large and still growing diverse coalition that includes local governments, publicly-owned utilities, privately-owned utilities, consumer groups and environmental groups;

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA, CALIFORNIA, AS FOLLOWS:

1. That the City Council of Santa Clara, California adopts an Oppose position on Proposition 7, the Solar and Clean Energy Act of 2008.

(Continued on Page 3)

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2. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City of Santa Clara hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 200__, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

CITY OF SANTA CLARA
AGENDA MATERIAL ROUTE SHEET

Council Date: October 14, 2008

SUBJECT: Adoption of a Resolution to Oppose Proposition 7, the Solar and Clean Energy Act of 2008

CERTIFICATION

The proposed Resolution

Regarding: Opposition to Proposition 7, the Solar and Clean Energy Act of 2008

has been reviewed and is hereby certified.

PUBLICATION REQUIRED:

The attached Notice/Resolution/Ordinance is to be published ____ time(s) at least ____ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 2008.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

Federal Codes:

Title _____ U.S.C. § _____
(Titles run 1 through 50)

California Codes:

Code _____ § _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:

Title _____ C.F.R. § _____
(Titles run 1 through 50)

California Regulations:

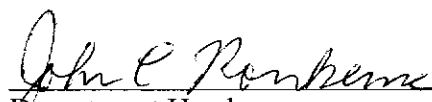
Title _____ California Code of Regulations § _____
(Titles run 1 through 28)

City

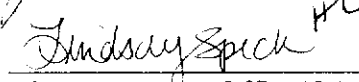
City Charter § _____ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)

City Code § _____

1. As to City Functions, by
2. As to Legality, by
3. As to Environmental
Impact Requirements, by
4. As to Substance, by

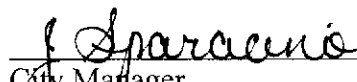


Department Head



City Attorney's Office/CAO Assignment No. 08.1404

Director of Planning and Inspection



City Manager